

National Security Council, the Justice Department, along with other parts of the Government.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JOHNSON). Without objection, it is so ordered.

#### DISCHARGE AND REFERRAL—H.R. 788

Mr. REID. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged from consideration of H.R. 788, the land conveyance bill, and the measure be referred to the Governmental Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

Mr. REID. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1860, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1860) to reauthorize the Small Business Technology Transfer Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. KERRY. Mr. President, today I rise to urge passage of H.R. 1860, the Small Business Technology Transfer Program Reauthorization Act of 2001. H.R. 1860 passed the House of Representatives on September 24, 2001. This bill is a companion to my bill, co-sponsored by Ranking Member KIT BOND, S. 856 which passed the Senate unanimously on September 13, 2001. This legislation reauthorizes the Small Business Administration's highly successful Small Business Technology Transfer Program for an additional eight years and doubles its size. Absent legislative action to reauthorize the Small Business Technology Transfer program, it will expire on September 30, 2001.

The STTR program funds research and development, R&D, projects performed jointly by small companies and research institutions as an incentive to advance the government's research and development goals. It complements the Small Business Innovation Research, SBIR, program, which was reauthorized last year. The SBIR program funds R&D projects at small companies. STTR funds R&D projects between a small company and a research institution, such as a university or a Federally funded R&D lab. STTR projects

help participating agencies achieve their goals in the research and development arena. It also helps convert the billions of dollars invested in research and development at our nation's universities, Federal laboratories and nonprofit research institutions into new commercial technologies.

The STTR program was started in 1992. The program was reauthorized in 1997 for four years. The program is funded out of the extramural R&D budgets of Federal agencies or departments with extramural R&D budgets of \$1 billion or more. Such agencies must award at least .15 percent of that money for STTR projects. This bill increases program funding to .3 percent of that money for STTR programs in FY 2004 and thereafter. Five agencies currently participate in the STTR program: the Department of Defense, DoD, the National Institutes of Health, NIH, the National Aeronautics and Space Administration, NASA, the National Science Foundation, NSF, and the Department of Energy, DoE.

There are three phases of the STTR program. Phase I is a one-year award for \$100,000, and its purpose is to determine the scientific and commercial merits of an idea. Phase II is a two-year grant for \$500,000, and its purpose is to further develop the idea. In FY 2004 and thereafter this bill increases Phase II awards to \$750,000. Phase III is used to pursue commercial applications of the idea and cannot be funded with STTR funds.

I thank my friend from Missouri, Senator BOND and his staff and all of the Members of the Senate Small Business and Entrepreneurship Committee for working with me and my staff on this important legislation. I would also like to recognize the cooperation and support from the House Small Business Committee, Chairman DON MANZULLO, Ranking Member NYDIA VELAZQUEZ, Subcommittee Chairman ROSCOE BARTLETT and their staffs as well as Chairman BOEHLERT and Ranking Minority Member HALL and their staffs on the House Science Committee for their work on this legislation.

Mr. President, I ask the Senate to pass H.R. 1860.

Mr. BOND. Mr. President, I rise to urge my colleagues in the Senate to support H.R. 1860, the Small Business Technology Transfer Program Reauthorization Act of 2001. This bill is identical to S. 856, which passed the Senate unanimously on September 13, 2001. Subsequently, the House of Representatives amended its version of this important legislation with the entire text of the Senate-passed bill, and it passed the House of Representatives yesterday on its Suspension Calendar. Our approval of this bill today will clear the measure for the President to sign it into law.

The STTR Program was created in 1992 to stimulate technology transfer from research institutions to small firms while, at the same time, accomplishing the Federal government's re-

search and development goals. The program is designed to convert the billions of dollars invested in research and development at our nation's universities, federal laboratories and nonprofit research institutions into new commercial technologies. The STTR Program does this by coupling the ideas and resources of research institutions with the commercialization experience of small companies.

To receive an award under the STTR Program, a research institution and small firm jointly submit a proposal to conduct research on a topic that reflects an agency's mission and research and development needs. The proposals are then peer-reviewed and judged on their scientific, technical and commercial merit.

The STTR Program continues to provide high-quality research to the Federal government. The General Accounting Office (GAO) reported in the past that Federal agencies give high ratings to the technical quality of STTR research proposals. The Department of Energy, for example, rated the quality of the proposed research in the top ten percent of all research funded by the Department.

Report after report demonstrates that small businesses innovate at a greater and faster rate than large firms. However, small businesses receive less than four percent of all Federal research and development dollars. This percentage has remained essentially unchanged for the past 22 years. Increasing funds for the STTR Programs sends a strong message that the Federal government acknowledges the contributions that small businesses have and will continue making to government research and development efforts and to our nation's economy.

Mr. President, Senator KERRY and I have worked together to produce a sound, bi-partisan bill. This legislation is good for the small business high-technology community and will ensure that our Federal research and development needs are well met in the next decade. I trust that the bill will receive overwhelming support of my colleagues.

Mr. REID. I ask unanimous consent that the bill be read the third time, passed, and the motion to reconsider be laid on the table, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1860) was deemed read the third time and passed.

#### DEFENSE PRODUCTION ACT AMENDMENTS OF 2001

Mr. REID. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2510 to extend the expiration date of the Defense Production Act of 1950, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives: